SPY STEAL and SMUGGLE

Israel's Special Relationship with the United States

Claudia Wright

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Spy, Steal and Smuggle

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Spy, Steal and Smuggle

The arrest of Jonathan Jay Pollard, a young civilian analyst working for U.S. Navy intelligence, has been portrayed so far by the U.S. press as yet another case of an unstable personality selling U.S. secrets to foreign governments for cash. Had Pollard not telephoned an Israeli intelligence agent to beg for help—on a line tapped by the FBI—and then made a desperate attempt to evade the FBI and seek asylum in the Israeli embassy in Washington, he might have been overshadowed by the growing cast of soap opera spies that have been falling into U.S. government hands recently. The Israeli government might have succeeded in its cover-up before the publicity did much damage.

The U.S. media have assisted the Israeli government in many ways. They have investigated Pollard's brief career exhaustively, uncovering college friends, acquaintances, highschool teachers, and university professors who had once known him, and who remembered him as an eccentric, an unstable and boastful character.[1]

But the media investigation stopped there. It has failed to look into all those whose recommendations aided Pollard's initial entry into U.S. intelligence work, and helped him to rise rapidly in the Navy. The U.S. media have failed also to pursue even the leads the Israeli press has turned up—Israelis Pollard allegedly knew or dealt with; the so-called "scientific attaches" in Washington, Boston, Los Angeles, and New York whom Israeli intelligence directed in their U.S. espionage work; the involvement of high-level officials in Israel's Ministry of Defense and the Office of the Prime Minister in the type of espionage Pollard's case represents.

By the time Abraham Sofaer, the State Department legal counselor, arrived in Israel to lead the U.S. inquiry into the affair, the U.S. press was losing interest in the story. Sofaer's inquiry simultaneously offered the media a stonewall and a whitewash—no information about the extent of Israeli espionage against the U.S. in the Pollard case and others; assurances that Israel's prime minister, minister of defense, and intelligence chief had not authorized the Pollard opera-

tion and had not approved it. Eight weeks after Pollard's arrest, the U.S. media were preoccupied with Arab terrorism, not Israeli espionage, against Americans. The investigative reporters of the *New York Times, Washington Post, Boston Globe,* and other newspapers were reassigned, their stories unwritten or unpublished.

A handful of U.S. government officials who know how much Israel's espionage in the U.S. has been concealed in this way, continued about their business. The burst of media publicity the FBI had intentionally drawn on Pollard's arrest wasn't forgotten by other FBI agents, district attorneys, and customs agents whose investigations have identified much more than the theft of U.S. intelligence that Pollard has been accused of. To government investigators, who have been ordered by their superiors to drop or close cases involving Israel, the lesson of the Pollard case seemed to be that if the television cameras were invited to photograph the arrest, then there was a chance, a slim one perhaps, that a public prosecution and trial might result. And so the Pollard case may have inspired a number of well-televised moves by U.S. law enforcement officials against Americans and Israelis who now stand accused of stealing U.S. military technology, or smuggling it to such adversaries of this country as Iran.

Finally, on June 5, after almost seven months of investigation, Pollard and his wife made brief, 15-minute appearances to plead guilty to U.S. indictments. Jonathan Pollard had agreed to plead guilty to a single count of conspiracy to commit espionage during a part of the period, June 1984 to November 1985, in which he had served as an intelligence analyst with the Navy. Anne Henderson Pollard pleaded guilty to two minor offences and was exonerated by the prosecution of having played any part in her husband's conspiracy.

Four Israelis were named in the court documents as co-conspirators with Pollard; none was charged with any crime. They were: Rafi Eitan, head of the Israeli intelligence unit known as Lekem (Hebrew acronym for Science Liaison Bureau) who left his post after Pollard's arrest, ostensibly because of "poor health," and was appointed director of Israel Chemicals, the largest state-owned industrial firm in Israel; Colonel Aviem Sella, a senior officer of the Israeli Air Force, who was ostensibly a graduate student at New York University in 1984-1985 while he helped direct Pollard's intelligence gathering, and who has since been promoted to a brigadier-general and given command of one of the largest air bases in Israel; Joseph Yagur, a science consul and agent of Lekem in the Israeli consulate in New York since 1980, and one of two science attaches to flee the U.S. after Pollard's arrest (the other, named Ilan Ravid, has not appeared in prosecution documents so far); and finally, Irit Erb, a female secretary at the Israeli embassy, who handled the biweekly deliveries of classified U.S. documents that Pollard provided, arranged for their copying, and for their pickup by Pollard so that he could return them without being detected.[2]

According to the details of the conspiracy which the prosecution provided the court, Pollard had reached an agreement with the Israelis to spy for ten years in return for which he received a passport and secret bank account in the name

of Danny Cohen, and a promise of at least $528,000 in cash payments—the largest payment for espionage an accused American spy has ever been offered. In the fifteen-month period before his arrest, U.S. investigators estimated he had received at least $75,000 from the Israelis for the documents he had procured for them. The indictment does not estimate how many documents were taken and passed to the Israelis. It says only that Pollard secretly removed them from his office three times a week; that they included material of the highest "Top Secret" and "Special Compartmentalized Information" classifications; that they were "voluminous"; and that they covered a wide range of "scientific, technical and military information" which Pollard's Israeli controllers specifically asked him to obtain.

The terms of the plea bargain Pollard and his wife agreed to provided that both would continue to cooperate with the government's investigation; in return, the prosecution agreed to waive its right to seek imposition of the maximum sentence of life imprisonment. Anne Henderson Pollard was charged with two minor offenses with a maximum penalty of five years in prison. Although they also faced fines, no action was taken by the Internal Revenue Service (IRS) regarding Pollard's likely fraud in concealing his foreign bank account and his cash payments from the U.S. tax authorities. This contrasts with the seizure of assets and imposition of liens by the IRS against a convicted spy for the Peoples Republic of China and his unindicted wife during the period of the Pollard investigation.

The guilty pleas of June 5 ended any prospect of a trial and public exposure of the extent of Pollard's espionage, his contacts with Israelis, and with other Americans who may have been involved in recruiting him, protecting him in his job at Navy intelligence,[3] or aiding the Israeli government in limiting the investigation and charges in the case. The initial reaction of Israeli officials and members of the Reagan administration, including the Secretary of State George Shultz, was to reiterate their earlier denials of an extensive, authorized Israeli spying operation, and to reconfirm Israel's official cooperation in bringing the case to an end. An end to further investigation is exactly what the Reagan administration and the Israelis want now.

Why exaggerate Pollard? the Israelis and their U.S. supporters ask. U.S. espionage agents have done as much in Israel—and gotten away with it; the U.S. spies on its allies, and expects its allies to spy on the U.S., asserts the former Director of Central Intelligence, convicted perjurer, and onetime consultant to the Shah of Iran, Richard Helms. Isolate the Pollard case, Israel and her American friends urge, and forget it.

In what follows, the case of the spy for Israel is analyzed in the context of which it is properly a part. Loyal agents of the FBI and U.S. Customs, district attorneys in cities around the country, staff attorneys in the Department of Justice, members of the U.S. intelligence services know much more, but they can't, won't, or don't dare to say. Without a trial, with further investigation and indictments, without searching press coverage, the American people have no alternative but to see the Pollard case in isolation and forget it. But there is an alternative and

this is just a beginning.

Israeli Spying in the U.S.: Tip of the Iceberg

In the twenty years running up to the arrest last November of Jonathan Pollard, U.S. officials say there were forty investigations of Americans working for Israel.[4] They are unimpressed by Israeli government claims that the Pollard affair was an exceptional, amateurish operation that wasn't properly approved by Jerusalem. They say that the Israelis have become supremely confident of their ability to spy on the U.S. and get away with it.

One of the first Israelis caught spying in Washington was none other than Chaim Herzog, now president of Israel, who was the Israeli military attache in Washington in 1953-1954. He had been detected trying to spy on the Jordanian embassy, and when he learned the U.S. authorities were on to him, he attempted to manipulate the Pentagon, the State Department and the White House to prevent the Eisenhower administration declaring him *persona non grata*. But before the administration could make its decision, he was tipped off by a State Department official and left the country. The State Department man was dismissed and records of the case sealed for more than a quarter of a century.[5]

In 1979, the first congressional official investigated by the FBI for passing secrets to Israel—a Senate committee staffer named Stephen Bryen—was able to get the Justice Department to overrule an FBI recommendation that he be brought before a grand jury, and the records of that case were also covered up. In the past two years, several men investigated by the FBI and indicted for various offenses, including the illegal export of nuclear materials and arms to Israel, have been allowed out of jail on bail and have fled.[6] FBI agents have been looking for revenge and with the Pollard case, they may have found it.

There were two important steps in the Israeli government's decision to broaden its existing espionage operations against the U.S. government. The first, in 1974, led to the training and recruitment of young American Jews for infiltration into U.S. intelligence agencies. The second, in 1979, led to the mobilization of U.S. defense consultants and specialists in military science and engineering to divert U.S. military technology to Israeli companies.

In December 1974 the chief of the CIA's Israel desk and head of the agency's counter-intelligence division, James Angleton, was forced to retire after falling out with William Colby, then Director of Central Intelligence. By his own account and the testimony of Israelis and former CIA agents, Angleton was the principal ally of the Israeli secret service, Mossad, in the U.S. government. (Mossad is the Hebrew acronym for central organization for security and intelligence.) Angleton arranged to supply the Israelis with CIA intelligence on Arab states.[7]

In 1956 Angleton had known in advance of the Israeli attack on Egypt and the Suez Canal, but kept knowledge of Israeli intentions from his superiors.[8] CIA veterans say that, because Angleton also controlled counterintelligence and the CIA's "loyalty investigations," he had unchallenged personal power.

Once Angleton had been forced out of the agency, however, the Israelis could

no longer be certain that they could follow and control U.S. intelligence operations in the Middle East. They then turned to U.S. Air Force General Eugene Tighe, who was deputy director of the Defense Intelligence Agency from September 1974 to December 1975, acting director in 1975-1976 and then director from August 1977 to August 1981.

CIA assessments of the PLO prepared during Tighe's tenure, which the Iranians found in the U.S. embassy in Tehran, use Hebrew versions of Arab place names in Lebanon and contain other indications that U.S. military intelligence in the region was being instructed and led by the Israelis. Since his retirement, Tighe has been formally associated with the Jewish Institute of National Security Affairs in Washington, a lobbyist for Israel's military trade with the U.S. He was described last year by Israel's consul general in San Francisco as "one of our good supporters in the US."[9]

But even with Angleton and Tighe to give them whatever they wanted, Israeli intelligence continued to infiltrate people into the intelligence agencies, the Pentagon and into the congressional committees concerned with U.S. foreign and military policy.

In 1984 Charles Waterman, then the senior adviser to the director of the CIA on the Arab Middle East, was dismissed after a twenty-year career in the agency, which included service in CIA posts in Kuwait, Egypt, Lebanon, Jordan and, in the late 1970s, Saudi Arabia. In 1983 he became the target of an FBI investigation for allegedly disclosing classified material to Richard Straus, co-editor of a Washington newsletter on the Middle East that is known to reflect the views of the Israeli embassy in Washington and pro-Israel officials within the U.S. government. Straus himself used to be a congressional lobbyist for the American-Israel Public Affairs Committee and refuses to discuss his relationship with Waterman or the FBI investigation.

Waterman admits he used to meet Straus in 1982-1983 and that the FBI investigation that ended his CIA career focused on reports prepared by Straus that were identified as having been based on classified CIA material. Straus denies receiving classified material from Waterman—and Waterman denies providing it. But Waterman accuses the FBI of pursuing a bureaucratic vendetta against him and of unfairly misinterpreting the results of a lie detector test he took regarding his meetings with Straus.

CIA contacts with Israeli officials are supposed to pass through a clearance system that was set up after the Angleton period. Was Waterman intentionally breaking the rules, as the FBI apparently concluded, or simply keeping abreast of what Israeli officials were thinking, without having to ask them directly? That Waterman could expect such a regular contact to be treated as "standard operating procedure" is indicative of the cozy relationship that has existed at least until recently between Israelis and their friends in the U.S. intelligence community.

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The Iranian Connection

The Iranian revolution in 1979 prompted the Israelis to expand their efforts to gather defense industry secrets from the U.S. and to influence the award of Pentagon contracts to Israeli companies. It was by no means a new development. In 1968-1969 the FBI had investigated an American, Zalman Shapiro, for illegally smuggling enriched uranium from his Pennsylvania company to the Israeli nuclear weapons program, then under the control of Shimon Peres. The FBI recommendation that Shapiro should be prosecuted was overruled.[10] Circumstantial evidence in FBI files shows that Rafi Eitan, the man named as authorizing the Pollard operation, visited the NUMEC plant in September 1968 and may have been involved in the diversion of NUMEC's uranium to Israel.

The Shah of Iran played a major part in bankrolling Israeli projects that the U.S. was reluctant to finance. CIA documents from 1970-1971 reveal clandestine investments that the shah had personally made in an Israeli oil pipeline—U.S. diplomats warned U.S. companies to steer clear of the project if they wanted to avoid an Arab backlash.

Documents recently published in Tehran provide a rare insight into the mutual distrust between U.S. and Israeli officials. They also show games the Israelis and the Iranian government were playing in the last two years before the fall of the shah in December 1978, and in the months that followed the establishment of the Islamic revolutionary government.

CIA cables, seized from the U.S. embassy in November 1979 and painstakingly pieced together by the students who took the U.S. diplomats hostage, suggest that in mid-1979 Israeli intelligence officers were asking for CIA reports on negotiations between the Kurds and the Tehran government, Syrian-Iraqi unification talks, Iraq's role in the Gulf, the Muslim Brotherhood, the two Yemens, and details of internal Iranian government politics.[11]

The response from CIA headquarters in Langley, Virginia, was mixed. CIA station chiefs were instructed that there would be "no major problem" in "sharing selected intelligence items," but several exceptions were noted. The CIA would not "provide information on the politics of ally (Arab) countries such as Saudi Arabia and Jordan."[12] Special screening was called for to handle intelligence the Israelis wanted regarding "government instability" in the Middle East, and details of "Egypt's negotiating position" in Egyptian-Israeli peace talks.

In several cables in September 1979, the CIA decided it would release information regarding the Kurdish situation only with several deletions intended to prevent the Israelis from identifying two Iranian officials who were the CIA's informants.[13]

Several longer documents in the CIA files provide details of talks between Israeli military officials and Iranian officers visiting Israel in a twelve-month period from July 1977 to July 1978. Drafted in English, they represent minutes prepared for the Iranian war ministry and supplied by Iranian sources to the CIA station in Tehran. Although the Reagan administration has actively sought to deter publication in the U.S. of these and other documents seized from the U.S. embassy,

Washington has not challenged the authenticity of the documents released so far.

In one, a summary of a meeting between General Toufanian, the vice minister of war in charge of weapons procurement, and General Moshe Dayan, then Israel's foreign minister, Dayan specifically recommended the Salgad 155-mm mortar produced by the Israelis arms dealers, Shlomo Zabludowicz and his son, Chaim.

According to Dayan, "he knows Mr. Zablodowitz (sic) personally and has a very high regard for his ability, integrity and the technical capabilities of his organization."[14] Toufanian then told Dayan he had recommended to the shah that the Iranians "make a thorough assessment of the 155-mm gun," comparing the Israeli version with German and Swedish variants, though he confided to Dayan that he thought the others "will possibly also be inferior to the Israeli gun."

Dayan and Toufanian then discussed the problem the Iranians had with balancing their desire to acquire the Israeli mortar, while avoiding antagonism from the British government, which was offering to build a gun factory complex in Iran for fabrication of British-designed weapons.

Toufanian and Dayan agreed on using a cover provided by a network of companies operated by the Zabludowicz family: "The general (Toufanian) also mentioned the fact that this project is to be done through Zablodowitz's (sic) Finish (sic) organization, and General Dayan responded that is perfectly all right from his point of view."[15]

In meetings with both Dayan and General Ezer Weizmann, then Israeli minister of defense (both meetings were on July 18, 1977), the Iranian minutes reveal the existence of a top secret Israeli project to build a long-range battlefield missile code-named *Flower*. Toufanian asked Weizmann what he knew about Indian efforts to build a surface-to-surface missile. Weizmann replied that "the Indians are very careful with us," and an aide, identified as A. Ben-Josef added: "They are, but we can find out."[16]

Toufanian thought the Indians were aiming to adapt their missile from French technology in the Pluton missile. The Israelis, however, clearly wanted to impress the Iranians with their own surface-to-surface missile, a test-firing of which they planned to demonstrate for Toufanian.

They told him the Indian missile had a warhead capability of only 600 kg that would be adaptable, Weizmann pointed out, for delivery of either conventional or nuclear explosives.

According to Weizmann, the *Flower* was intended as "the next stage of the (U.S.-made) *Harpoon*," and would be designed with a range of at least 125 miles. Toufanian expressed skepticism toward the capabilities of the *Harpoon*, and the Israelis replied that they had improved on both the U.S. and French missile designs.

Weizmann pressed Toufanian to consider Iranian financing for the project or else, he indicated, Israel might not have the funds to develop it alone. In Toufanian's meeting with Dayan, the Israeli had added as an afterthought that because of the dual-purpose warhead, "at some stage this problem will have to be raised with the Americans." It was decided Dayan would visit Tehran and talk to the shah about how to handle Washington's sensitivity.

A year later, in minutes of talks in July 1978 between Toufanian, Iranian Admiral Habibollahi, and Rear Admiral Barkai, a commander of the Israeli navy, the Israelis were still seeking Iranian funds for "enhancing the *Flower* project to enable it to be launched from submarines."

Israel Aircraft Industries also was after Iranian war ministry funds. In a proposal dated May 23, 1978, the Israelis laid out a framework for developing the Lavi aircraft in a bid to get Iran to supply $25 million to finance the "first investigative stage." At the end of that period, the Iranians were told, should "a negative decision be made . . . the information gained by each party will at a minimum be worth the amounts expended."

Weizmann also told Toufanian he wanted Israel and Iran "to go building airplanes together." It is clear in retrospect that the fall of the shah forced the Israelis to go to Washington for funding for the Lavi but this was not the only military project they wanted the U.S. to pay for.

In 1977 the Congress had agreed to let the Israelis draw on $107 million in foreign military sales credits—usually available only for purchases of U.S. weapons—to finance the production in Israel of the Merkava tank. This was termed a "once only" request, but in subsequent years more U.S. money was poured into the tank; and in May 1982 the Israeli defense minister Ariel Sharon asked for $1 billion in U.S. government credits to finance the development and production of the Lavi and other projects—on concessional interest terms to be negotiated later. Congress agreed.[17]

The Cluster Bomb Case

The award of contracts to produce a new type of sophisticated cluster bomb, code-named "Project Blue 97B," has, according to information recently made available, been manipulated to the benefit of companies connected with the Israelis. The U.S. developer of the bomb design, Aerojet Ordnance of California, has been pressured by Pentagon officials to select a subcontractor without the experience, tooling or even an existing factory to produce the new weapon.

Earlier this year the U.S. Air Force added $19 million to the project to enable this subcontractor and an associate to build a new plant that other U.S. companies are already operating. Aerojet believes that the subcontractors have exploited their ties with Israel's military network in the U.S. to get favored treatment, and that the technology for the new cluster bomb will be diverted to Israel—and some time in the future will be marketed by the Israelis in competition with Aerojet's version.

On July 8, 1986 U.S. Customs agents disclosed to CBS network television that they had obtained subpoenas and search warrants covering a number of U.S. companies alleged to have been paid by the Israeli military procurement mission to fabricate equipment for use in the production of new cluster munitions. Television cameras recorded agents arriving to search the premises of one high-technology manufacturer, Vector Corporation of Marion, Iowa. Corporate records identify the treasurer of Vector as Donald Danforth, Jr., brother of U.S. Senator John

Danforth; the senator, who represents Missouri, has attracted considerable financial support from pro-Israel lobby groups. He chairs a Senate committee on science and a subcommittee on international trade.

Vector officials have denied any wrongdoing, as have a variety of spokesmen for Israel's Defense Ministry. At the same time, the Israeli government is ordering those members of its New York procurement mission who have been issued subpoenas to testify before a grand jury, to refuse to do so.

So far the prosecutors have withheld the court affidavits on which legal action has been based, but several investigations have been underway for at least six months by the FBI, the Pentagon's Defense Investigative Service and others. All have been looking into the way U.S. technology for fabricating a new generation of cluster munitions has been developed and protected.

The contractors and sub-contractors involved in Project Blue 97B, the air-dropped cluster bomb designed to replace the 20-year-old Rockeye, are being investigated. They include Honeywell and the Marquardt Company, a California subsidiary of International Signal and Control Corporation (ISC). Marquardt used to specialize in space rocketry and airframe fabrication, and it has recently won U.S. Air Force contracts in Project Blue 97B to build the new cluster bomb canisters known as tactical munitions dispensers (TMD).

ISC, which bought out Marquardt in 1984 and shifted its defense business toward cluster bombs, was originally a U.S. defense contractor based in Pennsylvania. But in 1982 it moved to London to raise capital without having to meet the stringent disclosure requirements of U.S. law.[18] ISC officials have denied any link with the Vector Corporation, identified as a target of the U.S. Customs investigation.

The legal and technological complexities of the case and the controversy the publicity has caused in U.S.-Israel relations combine to deter all but a few reporters from pursuing the details.

Espionage to Steal U.S. Military Technology

Early in November 1985 a simple ceremony took place in Washington. John Lehman, the secretary of the navy, was the guest of honor at a reception organized by the Jewish Institute for National Security Affairs (JINSA). JINSA, a Washington group promoting U.S. technology transfer to Israel's arms industry and Israeli defense sales to the Pentagon, was founded by Stephen Bryen. When Bryen was hired by Richard Perle, Assistant Secretary of Defense, to be his deputy at the Pentagon, JINSA was taken over by his wife, Shoshana Bryen. It was Shoshana Bryen who, at the November event, embraced Navy Secretary Lehman and presented him with an award marking JINSA's appreciation of the U.S. Navy's interception on October 10, 1985 of the Egyptian aircraft carrying the hijackers of the Achille Lauro cruise ship.

Nothing too remarkable about that. Before he became Navy Secretary, Lehman was well-known in Israeli military circles, sat on the board of a Philadelphia think tank run by American supporters of Israel, and operated a highly profitable defense

consulting company with business ties to the Israeli arms industry. Lehman's friends and associates have included a number of JINSA members, who also have worked at the Pentagon since 1981—they include Stephen Bryen and Richard Perle, one-time business partner and real estate investor with Lehman.

The links between Israel's military establishment and Pentagon officials like Lehman, Bryen and Perle, have come under scrutiny in several cases of alleged conflict of interest and espionage in the past. But until the arrest of Jonathan Jay Pollard, none of the investigations carried out by the FBI had resulted in a formal prosecution.

Israel, its friends in Congress, and the U.S. media are attempting to portray Pollard as an isolated case of a rogue spying operation that senior Israeli officials knew nothing about and did not authorize. They are trying to make Pollard and a handful of middle-level intelligence operatives in the Israeli government the scapegoats in an affair for which the government in Jerusalem has apologized. But a number of present and former CIA officials believe Pollard's recruitment runs too far back in time to be tied solely to the small scientific intelligence unit, identified within the Israeli defense ministry by the Israeli press. They have evidence suggesting that the Mossad was involved in arranging a trade with Pakistani officials of U.S. intelligence gathered by Pollard; the Israelis provided material on India in return for Pakistani information on Saudi Arabia and the Arab Gulf states.

U.S. officials also believe that another member of Pollard's family preceded him in a case of passing classified U.S. information to Israel and lost a U.S. government contract as a result. The point for U.S. officials is, as William Colby, the former director of the CIA, suggested in a recent television interview "whether there is another one, whether there is another Pollard." Colby and the FBI believe the answer is yes.

Sources within the U.S. government confirm that in recent months the FBI has recommended prosecution of at least two Pentagon officials, apart from Pollard, for espionage for Israel; one has been identified as specializing in Ethiopian affairs. FBI sources have said also that they have been investigating a retired U.S. military intelligence officer on suspicion of illegal arms dealings with the Israelis.

The Case of Yossef Bodansky

On December 1, 1985, the Israeli newspaper *Davar* reported that "the FBI is looking into the possibility that a journalist in the U.S. known as an associate of Israel's, may have served as a courier for classified material delivered to the Israelis."

The Israeli newspaper identified the man as Yossef "Seffie" Bodansky, an Israeli national living in Baltimore and working as a writer and consultant on military affairs. Independent investigation has uncovered a number of details about Bodansky. He was trained as an aeronautical engineer, and while in Israel wrote articles for the Israel Air Force magazine. He then came to the U.S., where he

has lectured at the Johns Hopkins University graduate center in Washington, written for *Jane's Defence Weekly*, a British publication, and worked as a consultant on Soviet military subjects for the Pentagon. Although Bodansky has refused to grant interviews or answer press questions, co-workers have identified him as having an office at a Baltimore-based group called Mid-Atlantic Research Associates. This group produces a monthly newsletter called *Early Warning*, and supplies news items for a weekly magazine called *Insight*, published by the newspaper syndicate run by the Korean evangelist, Sun Myung Moon. Bodansky's associates at Mid-Atlantic Research include such right-wing figures as Robert Moss, Brian Crozier, and Arnaud de Borchgrave, editor-in-chief of Moon's newspaper, the *Washington Times*.

Until March 1985, Bodansky was employed by a Massachusetts defense consulting firm called Harold Rosenbaum Associates; Rosenbaum had a contract with the Pentagon to study Soviet military exercises to see what they revealed about Soviet military doctrine and tactics. According to Pentagon officials, Bodansky's portion of the contract explicitly excluded him from access to classified material. Nonetheless, Bodansky boasted of his access to intelligence data regarding not only Soviet training exercises, but also Soviet operations in Afghanistan.

While the Rosenbaum contract was still running, U.S. intelligence agencies became suspicious about Bodansky's background. An official investigation was conducted by the Defense Investigative Service, the Pentagon's own security department. The conclusions of that inquiry remain secret. But restrictions on Bodansky's access to the Pentagon and to defense department documents were tightened, and the award of a follow-up contract, which Bodansky had applied for himself, was put on hold. Following the arrest of Pollard and the widening of the Israeli espionage investigation, many Pentagon officials became adamantly opposed to any further dealings with Bodansky. According to the *Davar* report, Bodansky had met Pollard for lunch; Bodansky admitted to the Israeli reporter that "he may have run into Pollard at some party although he has no memory of such a meeting." A Washington source claims he introduced Pollard to Bodansky and can confirm they knew each other.

Bodansky's principal contact at the Pentagon was Harold Rhode, adviser on southwest Asian affairs to Assistant Secretary Richard Perle. Rhode was born in Minsk in the Soviet Union, and has long-established contacts with Israel. He has studied at the Hebrew University, speaks Hebrew, Arabic and Turkish, and between 1971 and 1979 he worked on a doctoral thesis at Columbia University in New York, that dealt with the eighteenth century Ottoman administration of the *sanjak* (province) of Safad, an area encompassing what is nowadays part of northern Israel, Israeli-occupied southern Lebanon, and the occupied West Bank.

Rhode deputizes for Perle in contacts with U.S. intelligence and, according to Pentagon officials, he has differed sharply with CIA officials over their assessment of Soviet intentions in Afghanistan and in the region surrounding it. To fill the gap in his own knowledge of Soviet military operations and to back his challenges to the CIA, Rhode has depended, among others, on Bodansky. Rhode

has claimed that Bodansky's work on the Soviets is "superb," and he has asked the Pentagon to continue financing Bodansky as a special consultant.

The Perle Network

Pollard, Bodansky, and Rhode are relatively minor figures—in U.S., as well as Israeli, terms. Far more important are the Assistant Secretary of Defense, Richard Perle, and his deputy, Stephen Bryen. Through their Pentagon posts and through a network of their wives and friends, they are in a position to monitor virtually all intelligence passing through Washington that deals with Israel and the Middle East. They have authority to review all applications for licenses to export U.S. military technology and arms to foreign buyers, and monitor U.S. Customs Service attempts to uncover and prosecute arms smuggling to Iran. They can influence decisions by the Pentagon or the separate U.S. military services to buy Israeli-produced weapons or Israeli military services. What Israel cannot buy from or sell to the U.S., Perle and Bryen can help the Israelis to obtain or dispose of in countries where the U.S. provides overt military aid funds or covert CIA assistance. As the Pentagon representatives on the Coordinating Committee for Export Controls (COCOM), the Paris-based international body set up by the Western allies, Perle and Bryen are in a unique position to watch over the entire international arms trade.

While there is no evidence that Perle has had direct contacts himself with the Israeli-Iranian arms trade, one of his employers, prior to his appointment to the Pentagon in 1981, was a company owned by the Zabludowicz family; their attempts to sell the Shah of Iran a 155-mm mortar are described above. One of Perle's jobs for the Zabludowicz companies was to assess the U.S. market for some of the mortars they build and market. According to a document written by Perle on March 18, 1982, and sent to the Secretary of the Army, Perle criticized U.S. Army evaluations of a Zabludowicz 81-mm mortar, and urged that the weapon be given additional trials. It was. Allegations against Perle of potential conflict of interest in that and other matters, published by the *New York Times* and other newspapers in early 1983, were never officially pursued.[19]

FBI investigation of Perle has been inconclusive. He was investigated in 1970 when an FBI telephone tap on the Israeli embassy turned up a conversation in which Perle, then an assistant to Senator Henry Jackson, discussed with an Israeli official classified information that had been given to him by a member of the National Security Council (NSC) staff. The FBI suspected Helmut Sonnenfeldt, a member of the NSC staff whose sympathy for Israel was such that another staff member at the time called him a "double agent."[20] No official action resulted against either Perle or Sonnenfeldt.

Perle's second wife, Leslie Barr, has had two U.S. government posts in which she has been able to intervene in issues of importance to the Israelis. In October 1981 she joined the Commerce Department, where she directed a study dealing with Libyan oil sales to the U.S. The conclusion of the study was that imports

of Libyan oil were a risk to U.S. national security interests. This conclusion was contradicted by an assessment made at the same time by the independent U.S. General Accounting Office, but the administration went ahead and imposed an embargo on Libyan oil imports nonetheless.

Barr subsequently moved to the U.S. Customs Service where she became director of international affairs, a post that enabled her to monitor contacts between U.S. Customs and the customs services of other countries. This also gave her access to information regarding undercover customs investigation of illegal arms dealing between Israelis, their U.S. associates, and the government of Iran.

Francesco Pazienza, once an Italian intelligence official and aide to the former head of SISMI, Italy's military intelligence branch, has made allegations that Barr had tried to protect a friend and sometime consultant to the Pentagon from allegations of illegal activities. Pazienza has been in a New York jail awaiting the outcome of proceedings on a request for extradition to Italy where he is accused of extortion and bank fraud. Early in June he agreed to return to Italy to be tried.

The target of Pazienza's accusations is Michael Ledeen; some of the allegations appeared some time ago in the Italian press and more recently in the *Wall Street Journal*[21]. According to Pazienza, Ledeen sought his help in gathering evidence during the 1980 presidential campaign that would link President Carter's brother Billy to Libyan leader Mu'ammar Qadhafi, damaging Carter's reelection support in the American Jewish community, and helping Ronald Reagan. Pazienza also claims Ledeen has received payoffs from Italian and Spanish sources for political favors from Reagan administration officials.

Ledeen has several ties to the Perle network. His wife Barbara is an assistant in Stephen Bryen's Pentagon office—she was hired in 1983 without previous experience in military or defense technology matters after working for a Washington magazine that reports archaelogical discoveries in Israel. Ledeen himself was appointed by Shoshana Bryen to the board of directors of the Jewish Institute for National Security Affairs (JINSA). Ledeen was also appointed by General Alexander Haig to be his "special advisor on terrorism" when Haig was Secretary of State. After Haig was replaced by George Shultz, Ledeen has been employed as a consultant by the State and Defense departments.

Pazienza believes he was arrested in New York in March after U.S. Customs agents, for whom he had been acting as an informant outside the U.S., broke an earlier promise not to hand him over to the Italian authorities.

Perle, Barr, Ledeen and his wife refuse to answer questions on the subject. Ledeen has publicly acknowledged receiving some of the payments Pazienza has alleged, but disputes Pazienza's interpretation of their amount and legality.

Jonathan Jay Pollard

According to associates and friends of Pollard, before he joined navy intelligence in 1979, he made no secret of his recruitment to work for Israeli intelligence. He told an associate at Stanford University where he was an undergraduate between

1972 and 1976 that he had already received military and intelligence training in Israel. In his navy resume he claimed he had spent several months in 1975-1976 at the Atlantic Institute for International Affairs in Paris. But an associate at Stanford has said that Pollard said he used the Paris institute as a cover for Israeli intelligence work.

In 1977 Pollard started graduate studies at the Fletcher School of Law and Diplomacy at Tufts University, near Boston[22], and a year later, according to his resume, he was associated with the Institute for Foreign Policy Analysis Inc. (IFPA), a consultancy and an offshoot of the Fletcher School. Several people at the Fletcher School and the IFPA have had close links with the Israeli security establishment and, after the Reagan administration began in 1981, with U.S. policymakers active on Middle East affairs. Geoffrey Kemp left the Fletcher faculty to become the National Security Council staff specialist on the Middle East; Richard Burt and Scott Thompson also moved into U.S. foreign policy posts from the Fletcher School. Richard Perle has been a consultant for the IFPA in the past and has hired the IFPA director, Robert Pfaltzgraff, and other IFPA associates as his Pentagon consultants. One IFPA associate, Amoretta Hoeber, is a high-ranking civilian official of the U.S. Army, while her husband, Frank Hoeber, a Washington military consultant, works with JINSA.

Washington officials have long acknowledged the significance of these legal, academic and consultancy networks in Israel's information-gathering and lobbying activities. They note that in recruiting informants for intelligence work there is, as in Pollard's case, a pattern of early recruitment, periods of apparent academic study abroad—the London School of Economics was a favorite choice for Mossad cover in the 1960s—and special language training, followed by U.S. government employment in areas of special interest to the Israelis.

Pollard, for example, told the Navy in 1979 he could read and write Afrikaans. But a Notre Dame professor (of South African origin), who gave him an introductory course on South Africa, says Pollard didn't know the language when he taught him in 1975-1976. That means he learned it somewhere in the intervening years—and it is rarely taught in the U.S. An associate of Pollard's says that Pollard had told him he had been involved in Israeli arms sale transactions with Rhodesia and South Africa. By the late 1970s Pollard was telling associates he had been given the rank of colonel in Israeli intelligence with the mission "to infiltrate the U.S. government on behalf of Israel's intelligence."

Pollard's first navy job in 1979 was as a shipping analyst at the navy's operations intelligence center in the Washington suburbs. By late 1983 he had become a specialist on the Middle East and was assigned to anti-terrorism intelligence at the Naval Investigative Service. Immediately after the lethal attack on the U.S. Marine barracks in Beirut in October of that year, the Pentagon ordered a reorganization of its intelligence bureaucracy, pushing each of the services to establish improved anti-terrorism alert centers and coordinating the effort under the direction of Noel Koch, a deputy assistant secretary of defense; Koch's job before he came to the Pentagon was as the chief lobbyist of the Zionist Organiza-

tion of America.

For all practical purposes, anti-terrorism intelligence in this context meant U.S. intelligence on the Arabs and Iran. It included communications intercepts gathered by U.S. listening stations in Greece, Cyprus, Turkey and Pakistan, radar and other data gathered by U.S. aerial patrols flown in the Mediterranean and the Gulf, satellite photographs, and possibly also military data and codes used by Israel, Greece, Turkey and other U.S. allies in the region.

In the espionage indictment filed in U.S. court on June 5, the U.S. prosecutors said that "beginning on a date unknown to the grand jury but (at) least as early as June of 1984 and continuing to on or about November 18, 1985," Pollard had been passing U.S. secrets to Israel. How much U.S. and NATO data, codes and sources may have been compromised is not yet known, but Pollard was in a much more central position than U.S. reports had indicated earlier. With access to the intelligence flowing into the navy alert center from similar units in the army, air force and Marine Corps, the CIA, the National Security Agency, and the Defense Intelligence Agency, Pollard could have given Israel what the U.S. would not normally share—notably data identifying Israeli operations targetted against Americans and American interests in Lebanon and elsewhere in the Middle East.

It has been asked why Israel would infiltrate agents into U.S. intelligence agencies when it already benefits from an extensive intelligence-sharing agreement. A CIA report of 1979 conceded that the "principal targets" of Israeli intelligence activity included "secret U.S. policy or decisions, if any, concerning Israel," promotion of "arms deals for the benefit of the IDF," "Data for use in silencing anti-Israel factions in the West," and "penetration (of) certain defense projects in the United States and other Western nations."[23]

Pollard is not the first mole U.S. officials believe Israel is running inside the U.S. government. Many believe the pattern in Pollard's case fits a number of higher-level U.S. officials. It is therefore possible that, if under pressure, Pollard believes he has been sacrificed, he may name others who are Mossad moles in the hope of earning a further reduction of his jail sentence. No date for sentencing in the case was set at Pollard's court appearance in June. If the FBI and the Justice Department push hard enough, Pollard's case may unravel a much larger network of informants than the FBI agents originally reckoned on catching.

Pollard Arrest Prompts Other U.S. Moves

On December 12, 1985, U.S. Customs agents, acting on warrants from the U.S. District Attorney in Albany, New York, searched three U.S. companies for evidence in an alleged scheme to steal plans and specifications for producing 120-mm gun barrels and arranging to ship the technology to Israel Military Industries (IMI) and possibly also to Soltam, Israel's second major cannon builder, and one of the companies operated by the Zabludowicz family. This was the first time the U.S. authorities have acted against an Israeli plan to steal U.S. military technology.

No arrests have yet been made or charges filed against individuals. However, Israel Military Industries has been identified by the U.S. Attorney in the affidavit supporting the search warrants. IMI currently makes a 105-mm and 120-mm cannon barrel for the Israeli *Merkava* tank; the sleeve connecting the barrel to the tank turret is made by Urdan Foundries. Soltam is the other Israeli manufacturer of 120-mm gun barrels.

The purpose in this Israeli scheme was to obtain a special process for efficient and cheap chroming of the inside of the gun barrel, developed by the U.S. Army's Materiel Command at the Watervliet Arsenal in upstate New York. The economic value of the process lies in cutting the cost and raising the efficiency of Merkava and other Israeli tank fittings, and also in offering China an improved 120-mm barrel for the Chinese tank refit program Israel has been carrying out for some time.

The U.S. authorities are saying they "have reason to believe" there is evidence of conspiracy, theft of government property, and unlawful exportation of defense goods and technology. U.S. media interest in the case was sparked by the government decision to invite a national network television camera crew to record the search.

In their affidavit, the U.S. authorities claim that Napco, of Terryville, Connecticut, an electroplating specialist, obtained plans and specifications for the special cathode and anode used in chroming the interior of the 120-mm gun barrel. Napco then arranged to manufacture the anode and deliver it to Israel, using a subcontractor called the Abernathy Lead Construction Company of Pennsylvania, and a shipper, G & B Packing of New Jersey. Napco, it is claimed, was intending to build the cathode itself on order for the Israeli government.

Napco has been a subsidiary of Thermo Electron Corporation, a large and well-known engineering company of Waltham, Massachusetts. Thermo Electron specializes in furnaces and the technology of heat conservation and transfer; Napco, which was purchased in 1981 for $15 million, has developed electroplating techniques for circuit boards and has had related defense contracts involving the M-1 tank.

Napco's president, Herb Fishman, refused to discuss the case; spokesmen for Thermo Electron have claimed the chrome electroplating technology is not classified, and that the U.S. Defense Department had approved Napco work on the Merkava tank to be funded by Foreign Military Sales (FMS) credits.

The U.S. District Attorney and Customs officials suggest these claims are immaterial. They say the technology and process involved is "proprietary information of the United States and is not disseminated or made available except to authorized individuals." They also confirm that export licenses are required for their export and both the U.S. Commerce Department and the State Department have confirmed that there had been no applications or issuance of the required permits.

The U.S. officials are building their case on information supplied by U.S. Army personnel from the Watervliet Arsenal but they have carefully skirted the Pentagon office in charge of approving export permits for this type of high technology used

in military production. That office is headed by Stephen Bryen.

The Israelis minimized the uniqueness of the U.S. technology in a defense ministry press conference on December 13, 1985 suggesting it was obtainable from several countries other than the U.S. and claiming that it was Israel's belief that all legal requirements for the transfer of the technology had been discharged by Napco.

The Israelis also blamed the U.S. authorities for having an "ulterior motive" in publicizing the action. According to the timing of the investigation described in the affidavit, it is conceivable that the Pollard arrest on November 21 may have spurred the investigators in the Napco case to move more quickly, and to use the same media exposure the FBI had called for when Pollard was nabbed. There are similarities also in the U.S. Customs investigation of the cluster bomb case that has already been described.[24]

There is ample evidence that U.S. officials believe Israeli efforts to steal U.S. military technology are widespread, and that drastic techniques for prosecution have been necessitated by the Israeli confidence until now that they could skirt U.S. export controls with impunity. But there are growing signs that officials of U.S. companies that face competition from the Israelis in the U.S. and international markets are trying in their own way to expose what they call espionage and theft of technology.

It is highly significant that U.S. corporate executives are complaining almost openly of what they regard as the favoritism shown by officials within the Pentagon towards Israel and its defense sector. As the Israelis press with growing vigor to win the sizeable U.S. Defense Department procurements which the Reagan administration has promised Israeli ministers of defense since 1981, the frustrations of the Americans will sharpen accordingly, and the occasions for U.S. government and company officials to cry foul will multiply severalfold.

It is for this reason that the Pollard, Napco, and cluster bomb cases are so significant—as indicators of how far the groundswell of anti-Israel opinion will be able to gather bureaucratic momentum and popular support, despite the reluctance of the White House, State Department, and the U.S. media to allow it to go that far.

The Sofaer Connection

In yet another case of Israeli-connected individuals under indictment, U.S. officials have sought the extradition from England of David R. Sofaer, who was charged in October 1984 with illegal export of parts for the F-5 fighter aircraft and other military goods, destined for Iran.

Sofaer is also from a branch of the same Iraqi Jewish family from which the State Department legal counselor, Abraham Sofaer, comes. According to U.S. officials, David Sofaer was born in Israel in June 1949. He allegedly conspired with a number of English and American businessmen to ship aircraft parts to

the U.K., and then trans-ship them on to Iran. His activities in the U.S. apparently were under surveillance for some time before his indictment. U.S. prosecutors say their extradition request was filed in October 1984, but in the eighteen months since then, there has been no response from the British government.

State Department attorneys working on extradition matters say that in general an extradition request is answered in some form within a few months. U.S. attorneys handling the Sofaer case in Chicago say it will not come to trial for several months, and they have said they have "no hint that anyone is trying to obstruct" the case. These officials believe there is no connection between David R. Sofaer and Abraham Sofaer at the State Department. The latter, whose official responsibilities include supervision of the type of extradition request that is pending against David Sofaer, has answered a question about their family names by saying he "is not familiar with David Sofaer in London."

Abraham Sofaer was born in Bombay into the well-known family of Iraqi Jewish traders; a number of the family lived in Iran, and those who remained in Iraq left for Israel or other homes in the late 1940s. Sofaer himself maintains a home in Israel, and visits there frequently. As a New York judge in 1984, he presided at the libel trial of General Ariel Sharon against *Time* newsmagazine; in 1985 he was named to the State Department post by Secretary Shultz. After Pollard's arrest, Sofaer headed the delegation of U.S. prosecutors and FBI agents who visited Israel to interview Israeli officials and conduct a probe of Israeli government involvement in Pollard's espionage.

The Israeli General and the Rabbi—Another Case of Smuggling U.S. Arms to Iran

On April 22, 1986, U.S. prosecutors filed a formal complaint in a New York court and obtained warrants for the arrest of seventeen men accused of conspiring to smuggle U.S. arms to Iran. Most of the arms involved were in the inventory of the Israeli armed forces. Their value if sold to Iran has been estimated at about $2 billion. The principal figures are Israelis or Israeli residents—Guri and Israel Eisenberg, arms dealers in Israel, who run a company called B.I.T. Ltd.; General Abraham Bar-Am, a retired Israeli army officer, who was deputy chief of the northern command on the Syrian-Lebanese border; and William Northrop, a U.S. citizen living in Tel Aviv. Yitzhak Hebroni is identified in court documents as the treasurer of the Eisenbergs' company, and their representative in negotiations over the sale of the arms. Hebroni is a rabbi and the treasurer of a religious school in Israel. They are all accused of conspiring to sell to Iran U.S.-made missiles, military spare parts, guns, and a large number of aircraft including F-4 Phantoms, A-4 Skyhawks, F-5s, and C-130 Hercules. Samuel Evans, of a London firm called Evans and Van Merkenstein, is accused of being the Israelis' go-between in negotiations with an Iranian named Cyrus Hashemi.

Hashemi, a U.S. resident for several years, died in London on July 21, 1986 reportedly of natural causes. He was a relative of a member of Iran's Defense

Council and the speaker of the Iranian parliament, Hojestollah Ali Hashemi-Rafsanjani; he had been facing charges from a U.S. investigation, two years ago, that uncovered smuggling of U.S. military equipment and spare parts to Iran. A U.S. Treasury official has described Hashemi as a "major figure in international arms trafficking."

After fleeing to avoid trial in the earlier case, U.S. officials have said, Hashemi agreed to surrender and was released by a U.S. judge on bail in mid-March. By then, however, Hashemi was already collaborating with U.S. Customs agents in an undercover scheme. U.S. court documents indicate Hashemi was the buyer of the arms in the alleged conspiracy, although he was not charged with any new offenses. To help camouflage his collaboration with the U.S. Customs, Hashemi may have been behind the creation of a company called Galaxy Trade, on the British-run island of Bermuda, off the eastern coast of the U.S. The island was also the rendezvous for several meetings in April for the Israelis to finalize the proposed deals with Hashemi.

U.S. officials refuse to discuss the details, but it appears they have been attempting to trap Israeli arms dealers whom they suspect of having sold U.S.-made arms in Israeli stocks to Iran. The Israeli Defense Ministry was involved in the shipment of spare parts for F-4 Phantom aircraft in 1980-81, but was reported to have stopped at Washington's request. In 1982 U.S. Customs uncovered an attempt by two Canadians to smuggle M-60 tank parts from the U.S. to Iran, by making the shipment appear to be an order for the Israeli Defense Ministry. Israeli pressure forced the U.S. to drop that case. The same men were later exposed secretly shipping arms to South Africa.

Israelis, or their U.S. and Canadian allies, have been named in several other recent cases of U.S. arms smuggling to Iran and, in most, the defendants have fled to avoid prosecution, or the U.S. authorities have failed to bring them to trial. It is believed that the Israelis have benefited from high-level political protection in Washington—something lower-level U.S. Customs and FBI agents bitterly (but silently) resent.

In the latest case, the U.S. authorities were forced to act in great haste, before they had finished gathering all the evidence that was needed for prosecution. They apparently believed the Israelis would once again escape. On April 21, the day before the New York court issued arrest warrants, the key figures in the alleged conspiracy—the two Eisenbergs, General Bar-Am, Northrop and Evans—arrived in Bermuda on a British Airways flight from London. From their undercover informants and wiretaps, the U.S. authorities knew they had been in Bermuda five days earlier. The Attorney-General of Bermuda, Saul Froomkin claims that this time the Bermudian immigration authorities had received a tipoff about their arrival. At the airport the five men were told they would not be permitted to enter Bermuda, and they were ordered to take the same plane which was scheduled to fly on to the U.S. and then back to London. Froomkin says that when they refused, they were arrested, they were charged with failing to comply with an order of a Bermuda immigration officer, and jailed.

Froomkin, a Canadian who has lived in Bermuda for eight years and was appointed Attorney-General of the British-governed island in 1981, has said: "We did not intend to arrest them." Had they agreed to return to London, he says, they would not have been jailed. But Froomkin refuses to say how he learned of the Israelis' arrival in advance, or where the tipoff that led to their arrest came from.

U.S. officials say the Bermudian authorities have been cooperating with the U.S. The plan may have called for the Bermudians to put the five men on board the British Airways jet, which was flying on to Florida before returning to Bermuda and then back to London. Others are not so sure, and suspect that the arrests in Bermuda may have been intended to expose the proposed arms deal and warn the Israelis before they fell into U.S. hands. The Israelis are quoted in the U.S. wiretaps as expressing suspicion of an undercover U.S. plot, and of saying they would not enter the U.S. for "security reasons." Hashemi may have been trying to lure them from Bermuda on to a U.S.-bound flight when the Bermuda authorities intervened. It is possible that Israel's allies in London, Bermuda or Washington may have provided the tipoff to foil the U.S. Customs plan, for once the Israelis had been arrested in Bermuda on April 21, the New York prosecutors were forced into drafting a hastily compiled complaint the next day and picking up only the small fish in the plot. These included English, French, Greek and U.S. citizens, twelve of whom have been charged.[25]

A month later, the Supreme Court of Bermuda agreed to the U.S. extradition request for the five men detained on the island, and on May 29 they appeared before a New York court to answer the indictments. Hashemi's death less than eight weeks later increases the difficulties U.S. prosecutors face in obtaining convictions against the alleged plotters. In the meantime, yet another Israeli and retired military officer was arrested in New York and charged with conspiracy to illegally sell U.S.-made TOW antitank missiles. A report from the Jewish Telegraphic Agency of May 15 identified the man as Ze'ev Reiss, an Israeli reservist with the rank of lietutenant-colonel. The Jewish Agency report did not identify the Middle East state that was the apparent destination of the missiles, but speculated that it could be either Iran or Iraq.

U.S. officials who monitor this trade very closely say they are certain that any shipment to Iran of arms from Israeli inventories could not be made without the tacit knowledge and approval of Israeli government officials, but they doubt the claims by the dealers in this case to be able to deliver large numbers of F-4, F-5, Hercules and Skyhawk aircraft. They say U.S. intelligence has detected only one sale of F-5 aircraft to Iran since the Iraq-Iran war began, and those aircraft,belonging to Ethiopia, were reportedly incapable of flight; the Iranians bought them for parts. The U.S. officials say they suspect the Israeli dealers of trying to trick what they thought were Iranian buyers into advancing millions of dollars for aircraft they had no intention of delivering. If this is correct, the undercover "sting" may itself have been "stung."[26]

The evidence collected by the U.S. prosecutors suggests another interpreta-

tion. This evidence is in the form of over 200 tapes, some of poor audibility and some partially transcribed, which have been made available to lawyers representing the defendants. The tapes were made by undercover U.S. agents by bugging telephones, cars, and hotels, and by covertly monitoring meetings between the accused defendants, Hashemi and two undercover customs men.

In the tape recording of two meetings that took place at the Plaza-Athenee Hotel in Paris on April 13, 1986, Hashemi asked Samuel Evans and the Israelis to provide evidence of their ability to obtain the aircraft and other arms for sale and to ship them out of Israel. Hashemi demanded to be shown the end-user certificates the Israelis would need—Hashemi thought—to permit export of the aircraft according to Israeli law, and because the arms were originally supplied to Israel by the U.S., under U.S. law also.

According to the evidence of the tapes, the U.S. prosecutors claim the Israelis intended to obtain false end-user certificates from Turkish officials, and to fly some of the aircraft to Turkey, where they would then be picked up by the Iranians. No evidence has been produced that the Israelis made any contact with Turkish officials, or had obtained fraudulent documents from them. Lawyers for the defendants say Hashemi initiated the talk of the documents, and that what he was told about Turkey was "a lot of puffing" intended by the Israelis to play along.

According to a source, who insists on anonymity but is intimately familiar with the evidence of the tapes, the U.S. government's theory of conspiracy is false. Evans and the Israelis never intended to obtain end-user certificates, the source claims, because the transaction was to be approved as a joint covert operation by both the Israeli and U.S. governments.

According to the evidence on tape, one of the alleged conspirators, a Frenchman named Bernard Veillot, who lives in Paris and has not been arrested, claimed to have high-level access to U.S. officials in Washington. He and his partner, an American also living in France named Jean de la Roque, told Hashemi and the undercover agents that U.S. government approval for the arms deals was under consideration at the end of 1985. Veillot claimed that Washington officials had been engaged in a major review of U.S. policy toward Iraq, Iran, and the Gulf war; he referred to personal contacts with the State Department, with an official at the U.S. Treasury, and with a high-ranking U.S. military officer. Those contacts, according to Veillot, had disclosed that middle-level U.S. officials had agreed to reopen relations with Iran, and proposed covertly supplying Iran with U.S. arms from Israeli stocks. Veillot apparently convinced the Israelis that final high-level approval for such covert transactions was due to be made in January of this year.

Officially, the U.S. is neutral in the Gulf war, and it encourages a peaceful settlement between Iraq and Iran to end the fighting. In practice, however, the U.S. has expanded economic and diplomatic relations with Iraq, and has waged a vigorous campaign to dissuade the Israelis and other U.S. allies from supplying arms to Iran. U.S. officials have also identified Iran as being behind terrorist attacks on Americans, and has threatened retaliatory attacks. Yet, according to

the evidence of the tapes, the Reagan administration was about to change this policy secretly, and in order to test the Iranians Hashemi claimed to be representing, one of the alleged conspirators relayed a request he said came from U.S. officials for a token of Iranian reciprocity. They reportedly asked Hashemi to get from Iran the serial numbers of certain Soviet-made weapons captured from Iraq, and the names of Soviet military officers who have visited Tehran.

At the urging of the U.S. Customs agents, Hashemi pressed to know which U.S. officials had been providing the inside information on U.S. policymaking toward Iran. He was given a name that is not on the personnel register of the departments of Defense, State or Treasury. Whether the individual doesn't exist, or whether the name was false, or belongs to a U.S. intelligence agent, is not known.

Defense lawyers involved in preparing for the trial of their clients in November insist however, that the evidence on tape, recorded by Hashemi and U.S. Customs agents, proves that the conspiracy to sell U.S. arms to Iran was not a crime under U.S. law, because it was intended to be a covert operation of the U.S. and Israeli governments. This may be a ploy intended to embarrass and pressure the U.S. government into dropping the prosecution; a defense of this type has been used in other cases of arms smuggling and failed before.

This time, however, there is independent evidence of a protracted debate going on within the U.S. government over policy toward Iran; a bloc of officials known to be close to Israel argue that it is folly for the U.S. to remain on Iraq's side when the Iranians may win a decisive victory on the battlefield. Were the U.S. Customs and the Justice Department intending to expose and block the covert operation after the anti-Iran faction in Washington had lost the bureaucratic contest over policy toward Iran and Iraq? Does the arms smuggling case suggest an even more bitter fight between factions of U.S. government officials over the U.S. relationship with Israel? These questions may be answered if the case comes to trial.

Bryen and Israel's Lawyers in Washington

Deputy Under Secretary of Defense, Steven Bryen, is in charge of safeguarding the export of U.S. arms and military technology from smuggling and illegal diversion to U.S. enemies. Appointed to his post in 1981 by Richard Perle, Bryen was the target of an FBI and Justice Department investigation of espionage on behalf of Israel and other offenses.

That investigation was closed on the order of an assistant attorney-general, a personal friend of Bryen's lawyer. He overruled the recommendation of the officials in charge of the investigation to present the case to a grand jury. The dossier on the investigation was then sealed and, according to Justice Department officials, several hundred pages were mysteriously lost.

The National Association of Arab Americans (NAAA) challenged the "loss" of the documents in federal court in Washington, and in 1985 the judge ordered virtually all the sensitive documents in the Bryen dossier to be released. The Justice

Department appealed.

Until very recently, Bryen was confidently telling associates that the campaign to release the documents wouldn't hurt him any more than the earlier investigations. Then early in 1986 the Justice Department unexpectedly offered to settle out of court. It offered to pay NAAA's legal expenses (about $60,000) and release almost all the documents; in exchange, NAAA would drop its claim to the remaining sealed documents and the 1985 court order would be dissolved.

After the disclosure of forty earlier espionage investigations involving Israel, every single one of which was closed without prosecution, were U.S. officials, in frustration at their inability to prosecute Israel's agents in Washington, trying to draw the spotlight back on to Bryen, and reopen his case?

John Davitt, who headed the Justice Department's investigation of Bryen and is now retired, broke his long silence and told the *New York Times* that he disagreed with the decision to award Bryen a security clearance. "I find it difficult to understand how anyone reading the file could conclude, 'well, this matter was investigated and he was given a clean bill of health and all the allegations were resolved in his favor.' "[27]

The new turn in the case apparently caused Bryen to reassess his position, and in February 1986, he retained lawyers to represent him. David Birenbaum and John Boese, of the Washington law firm of Fried, Frank, Harris, Shriver and Kampelman, have said they interviewed Bryen and have agreed to an "extremely recent engagement." They defend Bryen by saying that the earlier investigations stopped short of any charge against him.

But the two lawyers are less than forthcoming about the dealings their firm may have had with Bryen on behalf of several other clients. For, according to the foreign agents registration files of the Justice Department, the Fried, Frank firm is on retainer to represent the Israeli government and Israel Military Industries in issues involving military sales, technology transfer, defense research cooperation and related procurement. The firm may be involved in representing Israeli interests in the case of the illegal export of nuclear warhead switches which were fraudulently acquired for Israel's defense ministry, and in the case of U.S. Army technology for manufacturing 120-mm gun barrels that was obtained without export licences by agents of Israel Military Industries. The first case has already resulted in indictments, and recently the Israelis applied to Bryen's office for licences to export more of the devices;[28] the second case is still under investigation by U.S. prosecutors. Birenbaum and Boese say they are "not prepared to say whether we are involved . . . we don't feel we want to talk about every engagement."

The two lawyers insist, however, that they have considered the potential conflicts of interest that might be involved in representing Bryen. "and we resolved them favorably." The lawyers explain this by saying they would have a problem only if the interests of one client were in conflict with those of another client. As far as they could see, representing the Israeli government and a member of the U.S. administration presented no conflict of interest at all.

Israelgate

If everything had gone according to plan, the plea bargain which Jonathan Pollard and his wife accepted before they pleaded guilty in a Washington court on June 5, should have been the end of the first espionage prosecution by the U.S. against Israel—not the beginning of another round of bitter recriminations between senior U.S. and Israeli officials, embarrassing publicity, and awkward admissions from the pro-Israel media that the cover-up is too brazen to swallow.

Secretary of State George Schultz, and his legal advisor Abraham Sofaer, thought they—and their friends in the Israeli government—had prevailed over the FBI, the Justice Department and the chief prosecutor, Joseph DiGenova, in limiting the potential damage of the Pollard case. They had been able to restrict the investigation of Israeli espionage to a single American and no other U.S. government official or American associate has been identified or charged. A handful of Israelis has been named as "co-conspirators" but not charged with any crime. The court documents carefully skirt the evidence that unnamed Israeli officials, including others in the Washington embassy and New York consulate, and others in the Mossad, the Lekem, and the prime minister's office had known of the operation and authorized it. Although the evidence the FBI had taken from the Pollard couple clearly pointed to a link between Pollard's theft of U.S. intelligence and the illegal Israeli trade of U.S. arms to Iran, the prosecution stopped short of pursuing it—and those Americans and Israelis suspected of involvement in that trade—by restricting the charge against Pollard to a single count of conspiracy to commit espionage. By eliminating whatever evidence the FBI could come up with, or that Pollard might confess about his Israeli contacts and possible espionage for several years before the period 1984-1985, to which the indictment refers, the prosecution covers up whatever Israeli and American involvement could be proved in infiltrating Pollard (who first joined U.S. Navy intelligence in 1973) and other Americans into the intelligence services or the Pentagon.

Pollard is being sacrificed to protect not only high Israeli officials, but high U.S. officials also. The Peres government knows that if the Reagan administration fails to preserve the cover-up, and if the plea bargain begins to unravel now, high officials in the White House, the Pentagon, and the State Department could be implicated, both in the type of acts Pollard has pleaded guilty to, and in conspiring with Israeli officials to prevent prosecution of cases of Israeli espionage against the U.S. The court documents reveal a tantalizing detail the U.S. press has largely missed, that is a political time bomb. The day before FBI agents first confronted Pollard, before he knew he was under investigation, one of the Israelis to whom he regularly delivered documents failed to appear as arranged. She was spirited out of Washington 72 hours later, before Pollard made his dash for asylum in the Israeli embassy and was turned back into the hands of the FBI.

The implication is that the Israelis had an informant within the FBI, the Justice Department or the White House, who tipped off the embassy in time for Pollard's handlers to escape. Alternatively, it is possible the Israelis had penetrated the FBI operation electronically. However the Israelis did it, the fact that they did

and that they and their U.S. government collaborators got clean away exposes a vulnerability U.S. counterintelligence is not able or not allowed to deal with.

Following the 15-minute appearances in court by Pollard and his wife, one of the defense attorneys refused to say that Pollard's spying had damaged the national security of the U.S. "The government will have to speak to that," he said. But even prosecutor DiGenova hedged on that issue, and referred to the indictment. There Pollard's offense was formally described as having passed "documents relating to the national defense of the United States, having intent and reason to believe that the same would be used to the advantage of Israel..."

It is a far cry from the charge of conspiracy to commit espionage on which Julius and Ethel Rosenberg were found guilty and executed in 1953. Their spying was for the Soviet Union. That was also a case in which U.S. Jews had a vital stake in asserting their loyalty to the United States. Not only were the defendants Jewish, but so too were a number of the prosecutors, and the judge who sentenced both Rosenbergs to the electric chair. The FBI files dealing with Mrs. Rosenberg's part in the conspiracy show that even the FBI and prosecution were never convinced she had played anything but a minor accessory role. The evidence against her was limited to the allegations of her brother and sister-in-law, who claimed she had sat in on a conversation dealing with espionage for the Soviets, that she had written an ambiguous letter possibly implying she knew of her husband's spying, and that she had typed out the handwritten notes her brother had given her husband, outlining the U.S. nuclear bomb. The voluminous government files since released on Ethel Rosenberg strongly suggest that charging her with conspiracy—the same charge Pollard has pleaded guilty to—was used as leverage to induce Julius Rosenberg to confess. But both of them went to their deaths insisting on their innocence; as Supreme Court Felix Frankfurter said during the consideration of the Rosenbergs' appeal, they were convicted on conspiracy, but sentenced for treason.

In the Pollard case the word treason has been carefully suppressed. The prosecution has manipulated the charge against Anne Henderson Pollard for leverage, but not at all in the way Ethel Rosenberg was treated. Mrs. Pollard has been charged with two minor felonies with a maximum sentence of five years in prison. She has been explicitly exonerated by the prosecution of any part in her husband's conspiracy, although the evidence identified in court documents shows both possession and knowledge of documents, acquaintance with the Israelis, and material benefit from the espionage—evidence which the case against Ethel Rosenberg never had. According to the government's plea agreement, "while Mrs. Pollard had knowledge of her husband's espionage activities, and derived some benefit therefrom, she did not personally deliver or disclose any national defense information to a foreign national."[29]

Was prosecutor DiGenova offering this bald whitewash at the explicit direction of Abraham Sofaer, the head of the U.S. investigating mission to Israel and himself a resident of Israel, because DiGenova lacked the political power to do otherwise, or did DiGenova think the plea was so patent the American press and

public opinion would see right through it, and apply enough pressure to force the investigation to continue. This remains to be seen. Pollard isn't Julius Rosenberg. The price for his wife's early freedom is that he must keep talking until the investigation is halted. That hasn't happened yet.

Israel's Espionage Threatens U.S. Economic Security

In June 1986, a U.S. company manufacturing top secret military technology took the initiative on its own to expose the theft of its secrets by Israeli Air Force officers and representatives of the Israeli defense ministry. The company had discovered not only that the Israelis intended to steal its technology to enable an Israeli company to manufacture the U.S. product, but also that the Israelis were planning to provoke a commercial dispute with the U.S. company, and recover all of the funds they had paid the company under contract. Espionage wasn't enough; the Israelis intended to leave the U.S. company bankrupt, and use U.S. aid funds, authorized by Congress, to promote the economic interests of an Israeli firm.

The case came to public light in August, after U.S. court documents filed by the company were unsealed. The U.S. company is Recon Optical, which is based near Chicago; over sixty years old, it specializes in the development and production of sophisticated cameras and aerial reconnaissance systems. Since 1981 Recon Optical has been developing a military surveillance system that can be fitted in a special pod to high-speed military jets, and can relay high-resolution pictures instantaneously from aircraft to ground station, which can in turn manipulate or-magnify the images, and relay the data within seconds to aircraft preparing to attack with missles or bombs. With an angular range of over one hundred miles from aircraft operating at up to 60,000 feet, the camera system, code-named "Fox River" by the company, could substitute for satellites and AWACS aircraft in directing aerial attacks with greater precision and speed than has been possible to date.

In 1984 Recon Optical signed a contract with the Israel Air Force to supply the camera system. A U.S. export license was signed and approved by the State Department at the same time that allowed for the delivery of the camera system valued at $40.7 million, but explicitly barred re-export of the system by the Israelis to another country, and did not allow transfer to the Israelis of the technology used in the camera system. According to an affidavit by the president of Recon Optical, Larry Larson, each camera system "is unique, and it would be extraordinarily difficult, if not impossible, to replicate or reverse engineer this technology from an existing system."[30] Recon Optical's contract with the Israelis did not contemplate any transfer of technology to the Israelis.

Three Israeli Air Force officers, Major Baruch Moran, Major Motti Harkabi, and Major Ehud Gal, were based at Recon Optical's plant to oversee the contract; officers of the Israeli Air Force and officials from the government of Israel procurement mission in New York also visited the plant to make inspections and

were given detailed briefings on the project.

Company officials say there were several serious contract disputes during 1985 and the early months of 1986. These began with the Israelis' insistence on conditions of camera performance that Recon Optical's engineers—and privately, the Israelis also—had found to be impossible to meet. The company was also directed by Israeli officials to make dozens of changes in contract performance, which substantially added to the overall cost. The Israelis insisted, however, that the company stick to its initial contract price, and refused to pay outstanding invoices. On May 9 Recon Optical decided to terminate their agreement, claiming breaches of contract and non-payment by the Israelis. Early in June it went to court to prevent the Israelis from withdrawing the funds they had already paid Recon Optical. The three Israel Air Force officers were ordered to leave the plant.

As they were departing, however, company security men caught them trying to remove ten boxes of documents.

Later inspection uncovered more than 25,000 documents in typed or handwritten Hebrew in just two of the boxes which the Israelis had claimed were their personal effects. Recon Optical began translating them. Until that point in time, company officials had believed they were the victims of a contract dispute and possible fraud. The seized documents were to provide them with unmistakable evidence that they had been the target of both espionage and fraud.

As spies the Israelis had proved to be careless and over-confident; their documents are the most detailed and voluminous evidence ever to be made public of an Israeli espionage operation targeted on Americans. In one document, dated late in 1985, one of the Israeli officers at Recon Optical wrote that it had been "principally agreed to transfer . . . information [on the camera system] from the Air Force to El Op through the Air Force Command and under its inspection."[31] This plan of action had "the authorization of the head of Development Division in the Air Force."[32] El Op is the trade name of the Israel Electro Optical Industry Ltd., a manufacturer of electro-optical instruments like gun-sights, night vision devices, and the like, which are used by the Israeli military, and exported to South Africa, the Far East, and Latin America. Until the Israelis began to steal Recon Optical technology, El Op had none of the experience or technology necessary to produce an advanced surveillance system like Fox River.

The documents show that El Op would pass requests for the information it wanted to the Israeli Air Force, which would then pass them on to Major Harkabi at the Recon Optical plant. Harkabi's handwritten notes confirm that "El Op requested the planting in the future of a cover representative in the training of the flight system which will take place in the future at the [Recon Optical] plant . . . ."[33] An El Op agent was also planted in the Israeli Air Force team that participated in a detailed project review with the company in February 1986. The Israelis also planned to make bogus requests for new contract proposals from Recon Optical "which can be used as a cover for achieving focal planes of additional types . . . ."[34] According to company officials, this refers to the next generation of advanced technology being developed by Recon Optical.

Company officials have provided their sworn assessment of the documents to U.S. District Court in New York. They say they have "finished only a preliminary audit" of the boxes, and note that "these are just the materials the [Israelis] had in their possession on their last day at our plant. If this is the tip of the iceberg, as we suspect, a substantial diversion of proprietary technology from Recon has occurred."[35]

Larson, Recon Optical's president, concludes: "This evidence of the [government of Israel's] fraudulent conduct and covert scheme to transfer Recon's proprietary data, in my judgment, comes down to this. The [government of Israel] intended to remove as much sensitive data as it could, while forcing Recon into an untenable financial position, eventually leaving us unable to perform, at which point the [government of Israel] would declare us in default . . . . At that point the [government of Israel] would have obtained our technology and tranferred it to an Israeli company prepared to use it in production, all at no cost to the [government of Israel]."[36]

Immediatedly after the discovery of the espionage plan, Recon Optical decided to seek help from the U.S. government. In late June, Larson, the president of the company, flew to Washington. There he briefed Senator Alan Dixon of Illinois, whose office helped arrange other meetings for the company delegation. They briefed the U.S. Justice Department, the Customs Service, the State Department's Office of Munitions Control (which is responsible for export licensing), and the Pentagon.

On June 25 Recon Optical officials met with members of the Defense Investigative Service and a group of Pentagon officials, including Deputy Under Secretary Stephen Bryen, and Leonard Altman, an analyst who works for Bryen. They recall that Bryen was the only official at the meeting to request they hand over documents from their investigation—which they did. They also recall that other Pentagon officials at the meeting tried to meet privately without Bryen being present. At the time, Recon Optical officials knew nothing about Bryen's past, and did not understand why they had been warned against seeing him. By the time they left Washington, the officials had been told the U.S. Justice Department was investigating the evidence they had presented of several potentially serious criminal violations.

In fact, an attempt to cover up the case was started almost immediately. Until July 25 Recon Optical's allegations of Israeli espionage and the documents they had translated were sealed by the New York court where the lawsuit had been filed; apart from the company, only a handful of U.S. government officials and the Israelis knew the details. But on July 13, the Israeli newspaper, *Davar*, published a report on the case by its Washington correspondent, Amir Oren. The *Davar* report claimed that Recon Optical officials had gone to Washington to accuse Israel of espionage as a way of evading its obligations in a contractual dispute with the Israeli government. *Davar* also reported that "the Reagan administration dismissed the charges of espionage and sees it as an attempt to pressure Israel . . . ." When Recon Optical's representative in Israel inquired about the

source of this report, he was told it was the office of Stephen Bryen.[37]

The *Davar* report then led to a follow-up by the Israel-based correspondent for the *Chicago Tribune*, and publication of its story on August 19 prompted a day of U.S. media coverage. The *Washington Post* reported Recon Optical's claims beside statements from the Israeli embassy in Washington. The embassy spokesman said the allegation of espionage was "completely baseless," and in a prepared statement the Israeli government claimed that the lawsuit was a purely commercial dispute, stemming from Recon Optical's "failure to extract from the government of Israel compensation of Recon's cost overruns. Israel's procurement mission intends to recover the payments made to date . . . . Recon Optical seems willing to do anything to avoid payment . . . including publication of false accusation."[38]

After an initial report, U.S. newspapers and television networks fell silent. On August 19, John Russell, a spokesman for the Justice Department, announced—in flat contradiction to what Recon Optical had been told earlier—that there was no Justice Department investigation, and that "nobody is under investigation." Russell added: "On the face of it there doesn't appear [to be] a violation of federal criminal statutes." David Hoover, spokesman for the U.S. Customs Service in Washington, would say only that "Customs are looking into the matter."

The Israelis claim that there are officials inside the U.S. government who are out to get them. Bryen has claimed that he is the victim of an anti-Jewish "witch hunt," of "ethnic McCarthyism";[39] privately, he has said the FBI has a vendetta against him. For the first time those whose function is to protect the security of the U.S., enforce its laws, and investigate the crimes of espionage, fraud and smuggling stand implicitly accused of anti-Semitism for doing no more than their job. Newspaper people are intimidated by the same accusation for doing no more than report from the public records of these investigations. Perhaps the Israelis and their American protectors answer to a higher law than the criminal code of the United States. But it is a dangerous business to be curious about the law, and as Recon Optical has learned to its shock and dismay, those who enforce U.S. law may be unable to protect Americans when the adversary is Israel.

Notes

1. For example: "Spy suspect bragged to friends in 1975 he was an Israeli agent," *Oakland Tribune*. 23 Dec. 1985; "Alleged spy recalled by friends as braggart," *Oakland Tribune*. 1 December 1985; "...amateurish and sophomoric braggart, living in world of James Bond fantasies." *Washington Post*, 4 Dec. 1985, sec. A.

2. A fifth Israeli, referred to in the court papers as "Uzi," has since been "fully identified" by the Justice Department. According to a *New York Times* report, he "has not yet been formally named as a conspirator because prosecutors feel that they need addi-

tional evidence of his involvement in the case." *New York Times,* 14 June 1986. An American, referred to in the court documents as the man who introduced Pollard to Sella, has also been publicly named. He is a New York investment broker named Steven E. Stern; he has admitted testifying before the Pollard case grand jury, but he is not the target of the investigation, *New York Times,* 4 July 1986.

3. The *International Herald Tribune* reported in June that Pollard's navy security clearance had been revoked in 1981 because he "was having emotional problems," but this action was quickly reversed.

4. For historical background, see Jeffrey McConnell, "Spying Among Two Close Friends," *Boston Globe,* 15 June 1986, sec. A; Charles Babcock, "Israel Uses Special Relationship to Get Secrets," *Washington Post,* 15 June 1986, sec. A.

5. Herzog denied this in a statement issued on 16 June 1986. The evidence against Herzog and the judgment of State Department officials, who "satisfied themselves as to the reliability of the informant," were declassified in 1985. McConnell reports, ("Spying Among Two Friends") that the State Department official was reinstated on appeal of his dismissal and permitted to resign without loss of pension.

6. Richard Kelly Smyth, charge with illegally exporting nuclear trigger devices called krytrons to Israel, jumped bail before trial in August 1985, *Wall Street Journal,* 21 Aug. 1985. For details of the krytron case, see *Mideast Markets (Financial Times),* 26 May 1986.

7. See excerpts of the Personal Diary of Moshe Sharett, former Israeli prime minister, Livia Rokach, *Israel's Sacred Terrorism* (Belmont, MA: AAUG Press, 1980), 29, 52, 56.

8. Donald Neff, *Warriors at Suez* (New York: Linden Press, 1981), 353-54. Robert Amory, deputy CIA director, is quoted as calling Angleton "this co-opted Israeli operative."

9. *San Jose Mercury News,* 9 Aug. 1985.

10. Stephen Green, *Taking Sides: America's Secret Relations with a Militant Israel,* (New York: William Morrow, 1984), 167-72. Rafi Eitan's involvement in this case has been reported by the *Washington Post,* 5 June 1986, sec. A; McConnell, "Israel Uses Special Relationship."

11. When parts of the U.S. embassy's files on Israel were first released in 1982, Israeli officials and reporters disputed their authenticity; no U.S. official has claimed the documents are not genuine.

12. CIA cable from Director (Secret). #486364, 1 Aug. 1979.

13. CIA cable from Tehran Station (Secret), #54249, Sept. 1979, 9.

14. *Minutes* (Top Secret), typescript dated 18 July 1977, 3.

15. Ibid., 4.

16. *Minutes* (Top Secret), typed verbatim transcript dated 18 July 1977, 14.

17. For further details, see U.S. General Accounting Office, *U.S. Assistance to the State of Israel, the Uncensored Draft Report* (issued by the American-Arab Anti-Discrimination Committee, Washington, July, 1983).

18. *Financial Times,* 24 Sept. 1982; *Observer,* 26 Sept. 1982.

19. *New York Times,* 17 Apr. 1983.

20. Seymour M. Hersh, *The Prince of Power, Kissinger in the White House* (New York: Summit Books, 1983), 322-323.

21. *Wall Street Journal,* 7, 8, Aug. 1985.

22. Allegations have been made that while at the Fletcher School, Pollard spied on faculty members; see *Tufts Daily,* 6 Dec. 1985.

23. CIA, *Israel: Foreign Intelligence and Security Services* (Secret), Mar. 1979, released in Tehran, published in *Counterspy,* May-June 1982.

24. *Chicago Tribune,* ll July 1986; *New Statesman,* 18 July 1986.
25. For other details, see *The Observer,* 27 Apr. 1986; *Sunday Times,* 27 Apr. 1986.
26. According to *U.S. News and World Report* 5 May 1986, 15, "U.S. officials are certain that Israeli officials knew in advance about [the Eisenberg-Bar-Am plan]. . . . The Administration won't make a public fuss, but the Israeli ambassador was called in to hear a firm warning to lay off such deals."
27. *New York Times,* 22 Dec. 1985.
28. A change in U.S. government regulations, gazetted in September 1985, revises the export regulations for krytrons, and would appear retrospectively to legalize Israel's acquisition of the krytrons through the Smyth operation; see *Mideast Markets,* 26 May 1986.
29. See text of the *Factual Proffer,* prepared by U.S. prosecutors in the Pollard case, 9.
30. *Recon Optical v. Government of Israel* (U.S. District Court for the Southern District of New York—86 Civ. 4655 TPG), Supplemental affidavit of Larry G. Larson, July 23, 1986, 4.
31. Exhibit A (attached to Supplemental affidavit), 1.
32. Ibid.
33. Ibid.
34. Quoted in Supplemental affidavit, 7.
35. Supplemental affidavit, 21.
36. Supplemental affidavit, 22.
37. Statement by Larry G. Larson, 19 August 1986.
38. *Washington Post,* 20 Aug. 1986, sec. A.
39. *Washington Times,* 13 Aug. 1986, sec. C.

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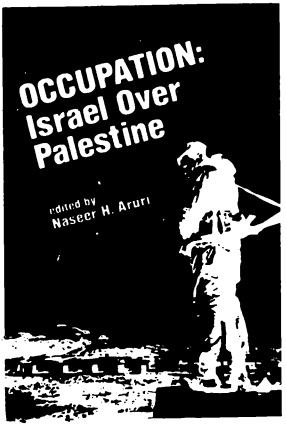

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